

~~S-E-C-R-E-T~~

Daily Diary, O/RR, 30 March 1951 (AD/RR information unless otherwise stated)

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D/A:

[ ] attended the meeting of the ADVISORY COMMITTEE ON EXPORT POLICY, Department of COMMERCE, called to consider the FEASIBILITY OF BARTER TRANSACTIONS FOR THE IMPORTATION OF STRATEGIC CHINESE MATERIALS. At the request of the Department of Defense, the Treasury is presently releasing dollars for the purchase of HOG BRISTLES, WATERFOWL FEATHERS, SILK WASTE, AND TUNGSTEN. The question is whether the policy should be sufficiently flexible to permit trading either in dollars or commodities, whichever might be more advantageous to the US. [ ] stated that, from an intelligence standpoint, so long as certain commodities were being exported from the US to the USSR and its Eastern satellites, it would be logical to consider exchanging similar commodities for strategic Chinese materials. However, to send to China items that are being denied to the USSR would be inadvisable because (a) it would weaken the US position in requests for parallel action and (b) would supply China with commodities which they probably could not purchase with dollars. [ ] presented intelligence to support a statement by the OIT member that Communist China is encountering increased difficulty in procuring strategic commodities with dollars. The CHAIRMAN,

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[ ], MADE THE DETERMINATION THAT THERE WAS NO OBJECTION TO ADVISING POTENTIAL IMPORTERS INFORMALLY THAT BARTER TRANSACTIONS WOULD BE CONSIDERED. However, there is to be no public announcement or no indication as to what barter deals would be approved. Defense is at liberty to turn down any offer. In the event it considers a barter deal of sufficient merit, it will refer the matter to the ACEP for determination as to the desirability of the transaction. (29 March)

D/M:

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Requests from Colonel Blair of the Estimates Division, A-2, continued with [ ], Petroleum Branch, providing information on AVAILABILITY OF PETROLEUM PRODUCTS IN THE SOVIET ORBIT to be used in the briefing of the Under-Secretary of the Air Force. (29 March)

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[ ] fulfilled request of [ ], O/GI, concerning INFORMATION ON AMOUNT OF PIG IRON USED FOR THE PRODUCTION OF ONE TON OF RAW STEEL IN OPEN-HEARTH OPERATIONS. (29 March)

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[ ] fulfilled request of [ ] D/A, concerning EVIDENCE OF PRECLUSIVE BUYING BY SOVIETS IN CHINESE TUNGSTEN MARKET. (29 March)

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D/G:

[redacted] discussed with [redacted] the desire of

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[redacted] is attending the Eighth Meeting of the COMMITTEE ON  
GEOPHYSICS AND GEOGRAPHY, RESEARCH AND DEVELOPMENT BOARD, at  
which technical estimates and progress on current projects will  
be reviewed. (30 March)

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Balance of O/RR - negative

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